



General Assembly

Amendment

February Session, 2008

LCO No. 5648

HB0515905648HDO

Offered by:

REP. O'CONNOR, 35th Dist.

SEN. CRISCO, 17th Dist.

To: Subst. House Bill No. **5159**

File No. 196

Cal. No. 105

***"AN ACT MODERNIZING INSURANCE DEPARTMENT FINES AND
MAKING MINOR TECHNICAL REVISIONS TO THE INSURANCE
STATUTES."***

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subdivision (15) of section 38a-816 of the general statutes
4 is repealed and the following is substituted in lieu thereof (*Effective*
5 *October 1, 2008*):

6 (15) (A) Failure by an insurer, or any other entity responsible for
7 providing payment to a health care provider pursuant to an insurance
8 policy, to pay accident and health claims, including, but not limited to,
9 claims for payment or reimbursement to health care providers, within
10 the time periods set forth in subparagraph (B) of this subdivision,
11 unless the Insurance Commissioner determines that a legitimate
12 dispute exists as to coverage, liability or damages or that the claimant
13 has fraudulently caused or contributed to the loss. Any insurer, or any

14 other entity responsible for providing payment to a health care
15 provider pursuant to an insurance policy, who fails to pay such a claim
16 or request within the time periods set forth in subparagraph (B) of this
17 subdivision shall pay the claimant or health care provider the amount
18 of such claim plus interest at the rate of fifteen per cent per annum, in
19 addition to any other penalties which may be imposed pursuant to
20 sections 38a-11 of the 2008 supplement to the general statutes, 38a-25,
21 38a-41 to 38a-53, inclusive, 38a-57 to 38a-60, inclusive, 38a-62 to 38a-64,
22 inclusive, 38a-76, 38a-83, 38a-84, 38a-117 to 38a-124, inclusive, 38a-129
23 to 38a-140, inclusive, 38a-146 to 38a-155, inclusive, 38a-283, 38a-288 to
24 38a-290, inclusive, 38a-319, 38a-320, 38a-459, 38a-464, 38a-815 to 38a-
25 819, inclusive, 38a-824 to 38a-826, inclusive, and 38a-828 to 38a-830,
26 inclusive. Whenever the interest due a claimant or health care provider
27 pursuant to this section is less than one dollar, the insurer shall deposit
28 such amount in a separate interest-bearing account in which all such
29 amounts shall be deposited. At the end of each calendar year each such
30 insurer shall donate such amount to The University of Connecticut
31 Health Center.

32 (B) Each insurer, or other entity responsible for providing payment
33 to a health care provider pursuant to an insurance policy subject to this
34 section, shall pay claims not later than forty-five days after receipt by
35 the insurer of the claimant's proof of loss form or the health care
36 provider's request for payment filed in accordance with the insurer's
37 practices or procedures, except that when there is a deficiency in the
38 information needed for processing a claim, as determined in
39 accordance with section 38a-477, the insurer shall (i) send written
40 notice to the claimant or health care provider, as the case may be, of all
41 alleged deficiencies in information needed for processing a claim not
42 later than thirty days after the insurer receives a claim for payment or
43 reimbursement under the contract, and (ii) pay claims for payment or
44 reimbursement under the contract not later than thirty days after the
45 insurer receives the information requested.

46 (C) As used in this subdivision, "health care provider" means a
47 person licensed to provide health care services under chapter 368d,

48 chapter 368v, chapters 370 to 373, inclusive, 375 to 383c, inclusive, 384a
49 to 384c, inclusive, or chapter 400j.

50 Sec. 502. Subsection (c) of section 38a-479qq of the general statutes is
51 repealed and the following is substituted in lieu thereof (*Effective*
52 *October 1, 2008*):

53 (c) Any person who knowingly operates as a medical discount plan
54 organization in violation of this section shall be fined not more than
55 [ten] fifteen thousand dollars. Any person who knowingly aids and
56 abets another that the person knew or reasonably should have known
57 was operating as a medical discount plan organization in violation of
58 this section shall be fined not more than [ten] fifteen thousand dollars.

59 Sec. 503. Subsection (u) of section 38a-479rr of the general statutes is
60 repealed and the following is substituted in lieu thereof (*Effective*
61 *October 1, 2008*):

62 (u) Any person who violates any provision of this section shall be
63 fined not more than [two] three thousand dollars. "